



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

Michael O. Leavitt
Governor

Stephen G. Boyden
Director

November 21, 2002

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NOV 22 2002

DIV. OF OIL, GAS & MINING

Stratton Construction Co.
P.O. Box 251
St. George, UT 84771

RE: ML 48974-MP

m/053/073

Gentlemen:

I have received your plan of operation for the lands under ML 48974-MP. Since the operation is well advanced and involves the disturbance of private surface with the knowledge and consent of the surface owner and is located in an area zoned for urban development I will not subject the plan to further review by other state agencies. Please be aware, however, that you are required under the terms and conditions of your minerals permit to comply with all valid existing state and local laws and ordinances which may govern your activity, including the rules of the Division of Oil, Gas & Mining relevant to mineral exploration and mining permits. Failure to comply with such laws and ordinances may result in the cancellation of ML 48974-MP.

Upon compliance with all state and local laws and ordinances governing your operations you may continue production of the permitted substances from the permitted trust lands. Please ensure that you maintain accurate measurements and records of extraction of the leased substances and timely submit production reports and royalty payments as per the terms and conditions of ML 48974-MP.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Doug Jensen

STRATTON CONSTRUCTION
P O BOX 251
ST. GEORGE, UTAH 84771

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NOV 18 2002
TRUST ADMINISTRATION

November 8, 2002

State Of Utah
SITLA
Attn: John Blake
675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

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DIV. OF OIL, GAS & MINING

Re: Plan of Operation

1. Permit is applied for. Legal description attached. Surface area to be disturbed by operations is estimated at 2-4 acres.
2. Permittee: Scott Stratton
DBA Stratton Construction
P O Box 251
St. George, Utah 84771
435-467-4966
3. A & B: there are no rights of ways, pipelines, utility lines, fences or buildings upon the land. There are no stream channels or water bodies
C: Soil is Navajo sandstone. No vegetation on site
D: The soil and bedrock consist of Eolian Navajo Sandstone and fluvial red siltstone and sandstone.
4. A. Refer to road locations shown on enclosed map
B. Drilling is not anticipated
C. Refer to enclosed map for proposed cuts
D. There is no overburden
E. No toxic substances will be on site
F. All sandstone boulders will be excavated, loaded and weighed at time of export and fill material will be removed as needed and calculated on a per yard basis. A log will be kept showing sales of boulders and fill material and submitted on a monthly basis along with royalty payments to SITLA.
5. A. Approximately 20,000 total ton of material, with approximately 25% being building stones, 75% fill material to be excavated over the next several years. 5000 15000
B. Sandstone
C. Landscape rock
D. \$15.00 per ton
6. A. Map enclosed
B. See above
C. None available

RECLAMATION PLAN:

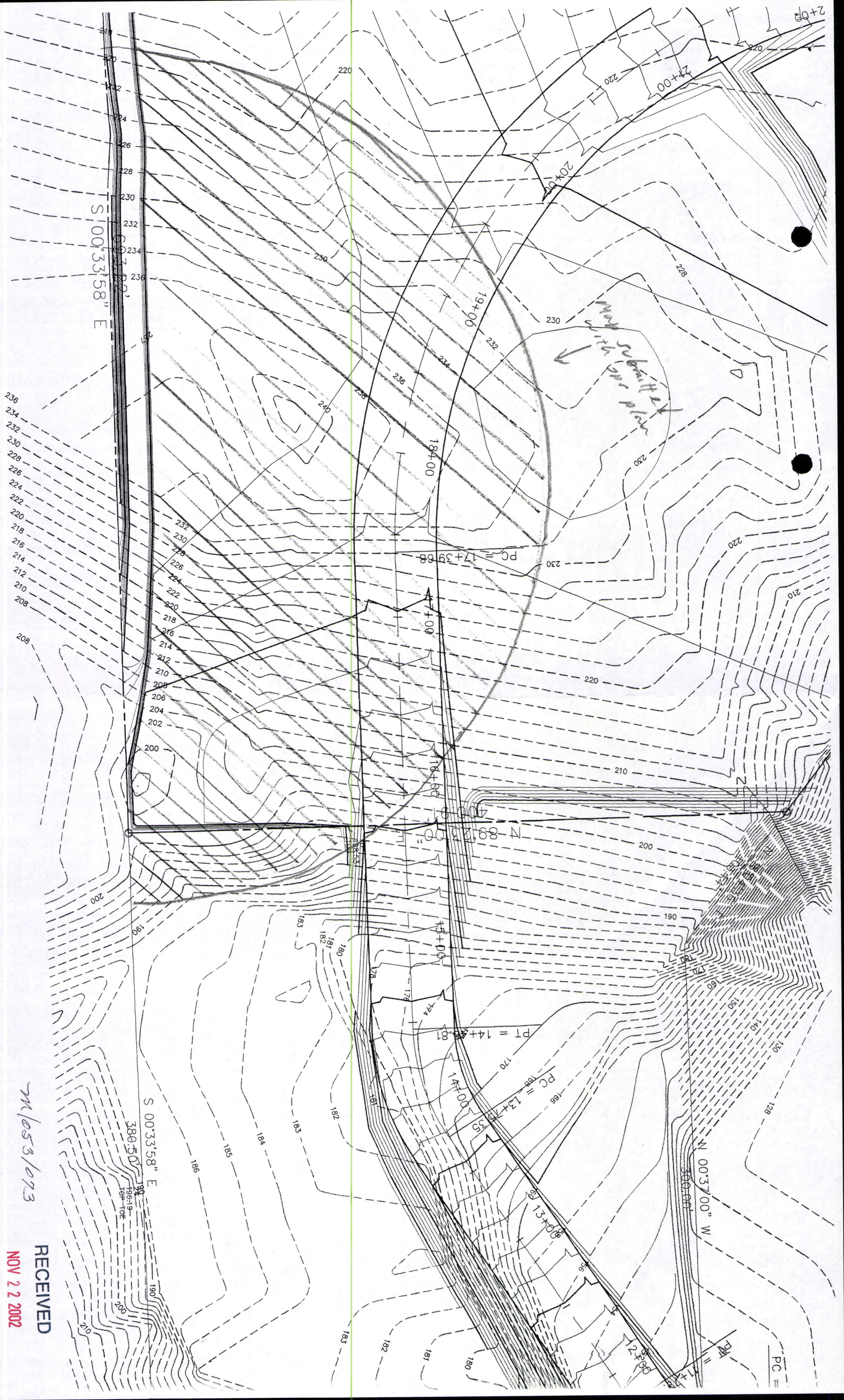
The land will be excavated to a level that can reasonably be developed as industrial property similar to other adjacent properties

ACCESS:

To be determined by land owner as needed for development

The property to be excavated is privately owned but mineral deposits are owned by SITLA. Letter of indemnity has previously been submitted.

Beginning at the Northwest Corner of the Northeast Quarter of the Northwest Quarter of Section 20, Township 42 South, Range 15 West, Salt Lake Base and Meridian, and running thence South $00^{\circ}33'59''$ East 484.80 feet, along the 40 Lines; thence north $89^{\circ}26'36''$ East 567.30 feet; thence North $53^{\circ}20'13''$ East 222.62 feet; thence North $89^{\circ}23'00''$ East 22.63 feet; thence North $0^{\circ}37'00''$ West 356.17 feet to the North Line of said Section 20; thence along said Section Line $89^{\circ}15'05''$ West 769.50 feet to the Point of Beginning. On file in the Office of the Recorder of Washington County, State of Utah.



ml053/073

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